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1. The Ernst Thälmann (formerly Krupp-Gruson) Works, Magdeburg, of SAG AMO employs between 10,000 and 12,000 workers. There are three shifts daily, including holidays.
2. The works has a pig-iron foundry and a steel foundry. Main production items are: cast steel mountings, ore furnaces, pumps (particularly mud pumps for mining), ventilators, cranes, crank shafts and machine parts. The products go to the USSR and the Satellite countries.
3. The Soviet administration of the works includes 20 to 25 persons. Director General Evgeni Lusarov died on 12 December 1951. His post has not yet been filled. His functions were taken over by Deputy Director General Alexei Stepanovich Yukov who joined the plant as Chief Engineer in the summer of 1951, after having previously been an engineer with SAG AMO Karl Liebknecht (formerly Buckau-Werf), Magdeburg. Chief Engineer and Commercial Director of the Ernst Thälmann plant is now (fnu) Gvosdev. German director of the works is (fnu) Fricke, who is paid a monthly salary of 3,600 DM East. (fnu) Eydtke is the German Technical Director. The plant has four interpreters, all of them Germans; among them are (fnu) Bollmann and a Frau Strasing.
4. The 1952 production plan foresees a 40 percent increase in steel casting and a 70 percent increase in pig iron casting production as compared to 1951. In order to meet increased production requirements in 1952, the plant will mount 16 new cranes capable of lifting 15 tons each. At the beginning of 1952, the plant received from SAG AMO Central Administration five million DM East as a first installment toward the payment for the cranes. Ernst Thälmann will assemble the cranes; their steel construction will be completed by the SAG AMO Mackensen Works, Magdeburg, and electrical apparatus by Gerätebau Schönebeck, Schönebeck, of SAG AMO. The deadline for completion of the cranes is the end of the first quarter 1952.
5. In November 1951, two engineers and a government official from the GSK visited the Ernst Thälmann works and AMO Central Administration at Bernackstrasse 7 in Magdeburg. After negotiations which lasted approximately three weeks, an agreement was signed with the Director General

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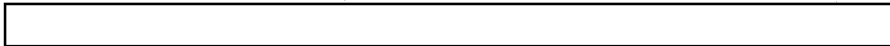
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-2-

of SAG AMO Central Administration, Nikolai Leonidovich Bebenin, by which Ernst Thälmann will produce six big ore smelting furnaces of the Rennofen type** and deliver them to Czechoslovakia together with the necessary personnel to oversee the fitting. Three of the furnaces are to be delivered by the end of 1952, the remainder during the third quarter of 1953.

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**  Comment: 

The furnaces for delivery to the CSR are probably for direct process extraction of metal from ore.

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